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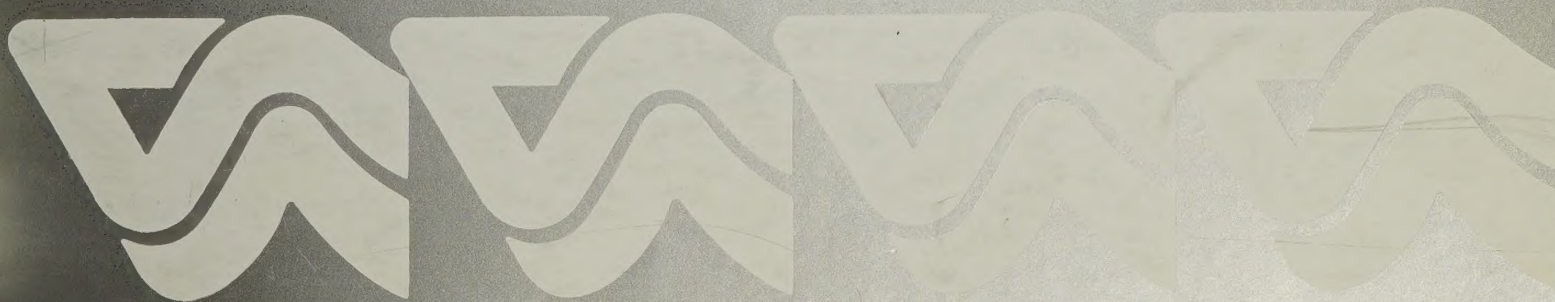
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The Hamilton Harbour Commissioners Annual Report 1980

For The Year Ended December 31, 1979



Chairman's Report

The success that I report this year reinforces the aspect of need for expanded growth in an ever-changing world market place. In this context I am pleased to report excellent progress on the implementation of the Port Master Plan initiated in 1978. The plan embraces development for trade and recreational uses within the harbour, a most valued natural resource.

Within the framework of our Port Master Plan it is gratifying to announce the completion and adoption of the East Port Industrial Park Development Plan prepared by the Commissioners' Consulting Engineers. The plan has been most enthusiastically received by the Hamilton Wentworth Regional Government and the City of Hamilton. It provides a comprehensive development strategy for Piers 25, 26 and 27 located in the extreme east end of the harbour. This important commercial development will provide new docks and harbour facilities for marine oriented shipping operations as well as associated commercial activities. The sites will be fully serviced and conveniently linked with rail lines and major transportation arteries.

The site preparation work progressed well during 1979 and construction at the Pier 25 portion of the project is on stream for 1981. Eventually, 124 acres of land will be available. Our other major harbour construction work currently underway at Piers 12 and 13 continued on schedule during the year. A new 800 foot seaway draft berth will be con-

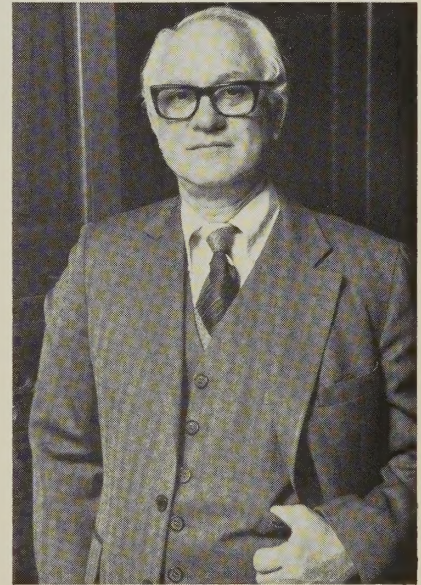
structed in time for the 1980 shipping season. The successful progress of our planning policies, coupled with the port's ability to compete successfully in the ever-increasing competitive atmosphere existing among ports throughout Canada supports our optimism for the port's endeavours in 1980.

Growth at the Port of Hamilton is exemplified by the fact that the total annual tonnage handled through the port increased to a new record high of 14,875,971 metric tons. The income from this very successful operating year reflected exceptional high revenues resulting in a net excess of revenue over expenses of \$783,578.00.

The strengthening of the port's position also benefits the area in general by helping to broaden the base of our community-oriented activities.

In the field of pollution control the Hamilton Spill Control Group, a voluntary organization comprising 18 companies is coordinated by the Hamilton Harbour Commissioners. Because of our concerns for the environment the Commissioners have taken the lead in spill control. The Group held a simulated spill containment and clean-up exercise in Bronte and Sheldon Creeks last June. The knowledge gained from these exercises is invaluable. This highly organized and trained Group become the first line of defence in the event of a marine or shoreline accident resulting in a spill.

To foster and encourage recreational



John L. Agro, Q.C.

boating in the harbour the Commissioners expanded its Sailing School program so that it is now available to all who wish to learn to sail. In addition, a special program was introduced for the handicapped in recognition of our awareness of community needs.

The port was host to hundreds of Hamiltonians and others who participated in the ever popular harbour cruises and interesting tours of the port operations and activities.

The creation of another small park facility, including picnic tables and barbecue pits was also opened for public use in 1979. The park is located in the passive prime west harbour area overlooking marinas, the sailing facilities of the Royal Hamilton Yacht Club and the Leander Rowing Club.

Hamilton harbour is a very important ele-

ment in the life of the community as a recreational resource and as a source of economic stability to the whole of the region. By what it has achieved gives promise that the Port of Hamilton is destined to maintain its prominent place among the more progressive seaway ports. I am secure in the knowledge that as Hamilton harbour grows, so grows the City of Hamilton and the Region of Hamilton Wentworth.

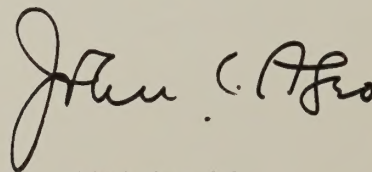
The Commissioners have been fortunate in having an excellent relationship with the transportation industry in general. This coupled with the support of the people who use the Harbour helped make 1979 an outstanding year.

The employees have performed their duties with dedication and skill. Their efforts made the operation of the port successful. Our

management staff has attained an excellent reputation for their abilities in daily operations and planning the port's future.

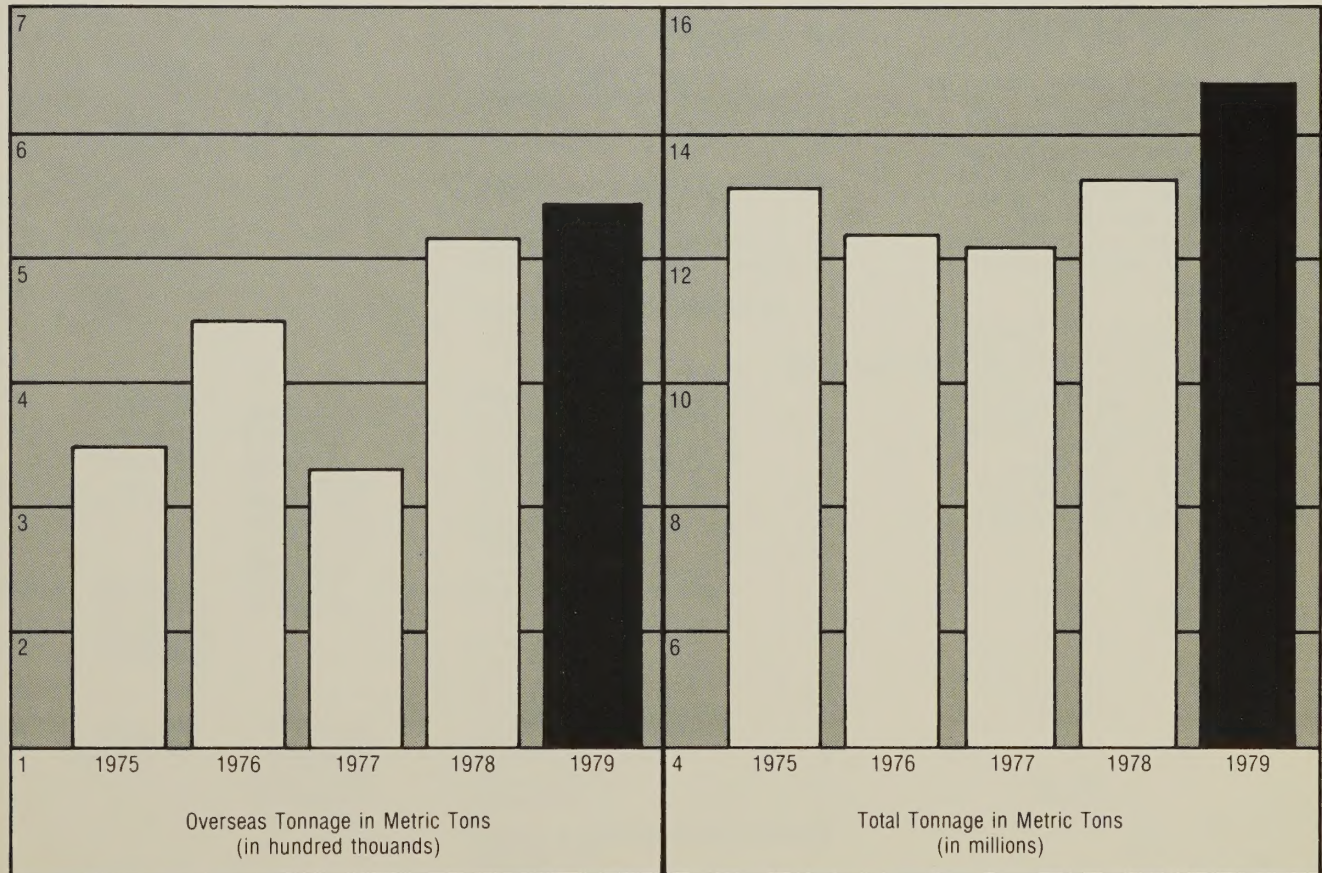
It has been my pleasure to serve as Chairman with Commissioners Peter T. Flaherty and B.M. Alway, who retired early in the year. His good judgement in the performance of his duties was a valuable asset to the Hamilton Harbour Commissioners. Ian Deans, former MLA, was chosen by the City Council to succeed Mr. Alway. He brought to our deliberations much experience and objective thinking.

The successes we have enjoyed during the past year could not have been accomplished without the splendid contributions made by my fellow Commissioners.



John L. Agro, Q.C.
Chairman
Hamilton Harbour Commissioners

Tonnage Figures



The Hamilton Harbour Commissioner's Financial

AUDITOR'S REPORT

We have examined the balance sheet of The Hamilton Harbour Commissioners as at December 31, 1979 and the statements of revenue and expenses, and general capital for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Hamilton Harbour Commissioners as at December 31, 1979, and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Hamilton, Ontario,
February 27, 1980

MACGILLIVRAY & CO.
Chartered Accountants.

ASSETS

CURRENT			
Cash	\$	240,783	
Accounts receivable		935,858	
Accrued interest receivable		76,809	
Inventory		48,982	
Prepaid expenses		27,890	\$ 1,330,322
INVESTMENTS APPROPRIATED FOR FUTURE HARBOUR IMPROVEMENTS (note 3)			
			3,000,000
DEFERRED ACCOUNTS RECEIVABLE			
			5,507
FIXED			
Land, docks and harbour improvements		17,962,997	
Buildings		5,736,917	
Equipment and vessels		2,630,435	
		26,330,349	
Less accumulated depreciation		11,432,987	
		14,897,362	
Capital development in progress (note 3)		3,337,146	18,234,508
			<u>\$22,570,337</u>

CURRENT
Accounts pay
liabilities
Current portio
debt

LONG-TERM
Debentures p
Government c
4-1/8% to b
before the ya
Loan payable
Government c
due Decembe
1987, semi-a
blended princ
at 5-9/16%
at 6-1/16%

Less current

GENERAL CA

ALLOCATION
HARBOUR IM

Statements For The Year Ended December 31, 1979

Balance Sheet as at December 31, 1979

LIABILITIES

and accrued	\$ 391,988	
of long-term	<u>162,507</u>	\$ 554,495
ble - (note 4)		
anada,		
deemed		
005	1,025,000	
(note 4)		
anada,		
1,		
al instalments of	506,328	
l and interest	<u>517,875</u>	
	2,049,203	
tion shown above	<u>162,507</u>	1,886,696
		<u>2,441,191</u>

CAPITAL

AL	17,129,146	
R FUTURE		
OVEMENTS (note 3)	<u>3,000,000</u>	20,129,146
		<u>\$22,570,337</u>

STATEMENT OF GENERAL CAPITAL

GENERAL CAPITAL - BEGINNING OF YEAR	
As previously reported	\$16,520,550
Adjustment of prior year's expenses (note 5)	<u>25,018</u>
As restated	16,545,568
EXCESS OF REVENUE OVER EXPENSES	<u>783,578</u>
	17,329,146
APPROPRIATION FOR FUTURE HARBOUR IMPROVEMENTS (note 3)	(200,000)
GENERAL CAPITAL - END OF YEAR	<u>\$17,129,146</u>

OPERATING STATEMENT

REVENUE		
Terminal income	\$ 1,733,306	
Harbour operations	939,686	
Marine dockyard income	550,557	
Rental income	1,313,755	
Other income	<u>513,133</u>	\$ 5,050,437
EXPENSES		
Operating salaries, wages and direct costs	2,226,517	
Insurance - fire and general	121,779	
Administration, office and general expenses	709,702	
Debenture and loan interest	108,042	
Contribution to employees' pension, group and medical insurance	366,384	
Depreciation	<u>734,435</u>	4,266,859
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR		<u>\$ 783,578</u>

Notes To Financial Statements

1. Accounting Policies

(a) Pensions -

The unfunded obligation for pensions based upon an actuarial evaluation carried out in 1977, was estimated at \$71,888. This obligation is being paid by instalments over a five year period and is charged to operations when paid. This liability has been reduced at December 31, 1979 to \$19,988.

(b) Fixed Assets and Depreciation -

Fixed assets are recorded at acquisition cost. Depreciation is provided on a straight-line basis at the following rates:

Docks and improvements - 2%, 5%, 10%, 20%

Buildings - 2-1/2%, 5%, 10%, 20%

Vessels and equipment - 10%, 15%, 20%

(c) Inventory -

Inventory is recorded at actual cost.

(d) Grant recognition -

Capital grants are recorded when received as an increase in General Capital.

2. Contingent Liabilities

A legal action has been instituted against the Commissioners by Samuel and Sheridan Lax in the total amount of \$35,000,000. This action is being defended. It is not possible to

determine whether the Commissioners will incur any future liability as a result of this suit.

The City of Hamilton has challenged in the courts the exemption of Hamilton Harbour Commissioners' properties from municipal assessment and taxation, as provided for in the Assessment Act. This action is being defended. It is not possible to determine whether the Commissioners will incur any future liability as a result of this suit.

3. Appropriation For Future Harbour Improvements

During the year, the Commissioners appropriated a further \$200,000 of general capital for future harbour improvements, resulting in a total reserve of \$3,000,000 for this purpose. These funds are intended for the development of piers 12/13 and 25/27.

This fund consists of bank deposit receipts in the amount of \$3,000,000.

4. Long-Term Debt

The aggregate amount of repayments due within the next five years is as follows:

1980 — \$162,507

1981 — \$169,143

1982 — \$176,171

1983 — \$183,613

1984 — \$191,496

5. Prior Period Adjustment

During the year ended December 31, 1978, inspection salaries and wages of \$25,018, relating to inspection of the development of piers 12/13 and 25/27, were included in administrative engineering expenses. A retroactive change has been made to charge these costs to capital development in progress.

6. Subsequent Event

Subsequent to balance sheet date the Commissioners entered into an arrangement with the federal government for the development of piers 12/13. The government will assist in the financing of these piers through a capital grant equal to 25% of the cost of the project and a further loan equal to 25% of the cost which will be interest free during the construction phase.

The estimated total cost of the development is \$7,400,000 of which \$1,632,000 had been expended by December 31, 1979.

Port Director's Report

The profitable year's operations are reflected in the season's tonnage figures. Overseas cargoes were up 4.4% at 532,595 metric tons; domestic and U.S. tonnage increased by 13.5% to 14,343,376 metric tons, giving a total tonnage handled for the year of 14,875,971 - an overall increase on last year of 13.2 percent - a new record!

A total of 959 vessels - 113 up from the previous year, called at the Port in 1979. This is the largest number to call at the Port since 1973. Twenty-two nations were represented, among the ships, the first of these being the M/V "Hasselt" with a cargo from Europe arriving on April 19th. The last ocean vessel to depart was the M/V "Archangelos", on December 15th. The Louis R. Desmarais docked on December 29th, joining a large fleet of assorted craft all wintering in Hamilton.

Terminal operations (as opposed to wharves) enjoyed an increase in tonnage handled for the year of 38% over 1978.

In handling this substantial increase in tonnage, Port labour played a very significant role. Cargo handling was equal to, or better than, most other competitive ports.

The acquisition of new sophisticated handling equipment was also a major factor in the efficient cargo handling operation. New container equipment enabled us to handle additional container traffic in a more economic and speedy manner.

The continued growth of trade at the Port reflects the positive reaction of Port users to

the personalized service provided them, and their confidence in our service. We are building an increasingly high profile in the international market, with Port personnel representing the Port by contributing to and participating in, world Port organizations such as the International Association of Ports and Harbours, plus, of course, the International Association of Great Lakes Ports, and the Canadian Port and Harbour Association.

Increasing energy costs being such a factor in the transportation industry, the ton/mile cost of moving goods by water should provide the opportunity for continued business expansion for the Port.

In pursuit of business expansion we are engaged in a very active campaign to extend the St. Lawrence Seaway navigation season. A longer season would allow us to compete more favourably with all North American tide water Ports. This in turn could have an enormous commercial impact on the Port Region.

Looking to internal activities: Our Marine Dockyard benefitted from various improvements during 1979. New equipment was developed to assist with the placing and removal of the moorings each year. In cooperation with local boating interests; mooring positions have been realigned and reallocated and additional mooring spaces installed. The year also saw the installation of ten additional fully serviced slips at the Commissioners' Marina.

After holding their fourth annual training



E.M. Perkins

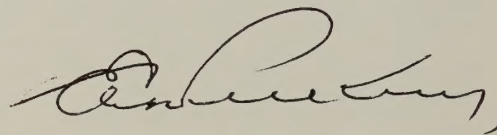
exercise in June, 1979, the Port of Hamilton Spill Control Group took delivery of a high-speed 38-foot clean-up boat; christened "Cleanshores". Although coordinated by the Commissioners, the companies forming the group are financially self-supporting.

Excellent progress was made on redevelopment of Piers 12, 13 and Piers 25-27.

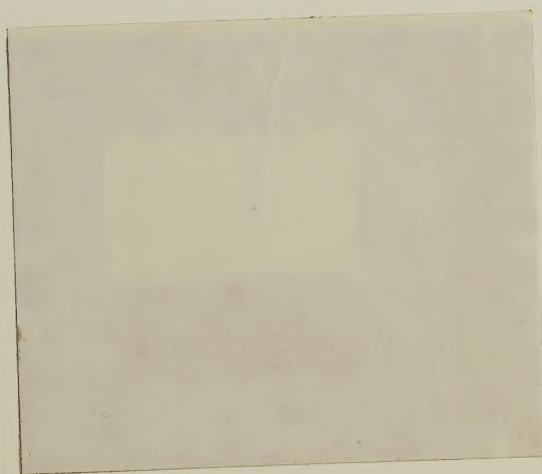
The existing Port facilities are currently filled to capacity, and expansion of Piers 25 - 27 as outlined in the Port Master Plan is necessary to accommodate future business growth and to attract new business to expand the economic base of the Port region.

The year 1979 provided the Port of Hamilton with new plateaus of achievement

and consequently - new goals for the new year. The new trading year is also the beginning of a new decade. The same enthusiasm and endeavour of the Port personnel which has brought us so successfully to this point, should serve to take the Port of Hamilton equally successfully into the 1980's.

A handwritten signature in dark ink, appearing to read "Earl M. Perkins", with a stylized, flowing script.

Earl M. Perkins, Port Director



Commissioners:
John L. Agro, Q.C., Chairman
Peter Flaherty
Ian Deans

Port Director:
Earl M. Perkins



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